

PATENT

Attorney Docket No. 224694

Customer No.: 23460

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In re Application of: Julie Anne Loeger et al.

Art Unit: 3624

Application No. 10/701,098

Examiner: Lalita M. Hamilton

Filed: November 3, 2003

For: AWARD SYSTEM WITH INCREASED
PAYOUT OPTIONS

APPELLANTS' REPLY UNDER 37 C.F.R. SECTION 41.41

Mail Stop Appeal Brief – Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

This paper is filed in response to the Examiner's Answer mailed on June 20, 2006. Appellants hereby respectfully request allowance of the pending claims for the reasons set forth in Appellants' Appeal Brief filed on March 30, 2006, and for the further reasons stated herein.

Status of Claims

Claims 1-29 are pending and stand finally rejected, and these rejections are presently being appealed.

A complete listing of the claims on appeal appears in the Claims Appendix of this paper.

Grounds of Rejection to be reviewed on Appeal

The grounds of rejection to be reviewed on appeal are the grounds stated in the Final Office Action mailed on August 11, 2005, for rejecting the pending claims. The grounds are summarized as follows:

Claims 1-29 were rejected as obvious under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2003/0061093 to Todd (hereinafter "Todd") in view of U.S. Patent No. 6,786,400 to Bucci (hereinafter "Bucci").

Argument

Appellants have carefully reviewed the Answer. The first portion of the Answer, beginning at page 3 and ending near the top of page 6, is identical to the grounds recited in the Final Office Action from which the present appeal was taken (and which incorporates by reference the previous Office Action of March 9, 2005 (“the First Office Action”)).

Appellants have addressed the Answer’s grounds for rejection in their previously filed Pre-Appeal Brief Request for Review and Appellants’ Appeal Brief, and thus Appellants will not repeat these arguments. The Appellants’ argument below addresses (1) the Answer’s erroneous and unsupported statement regarding what is “well known” in the “Response to Argument” that begins at page 6 of the Answer; and (2) the Answer’s assertion that Appellants have not provided “any real evidence” of antagonism between the two cited references.

The Examiner Improperly and Incorrectly States what is “Known in the Art”

The Appeal of the rejection of the claims essentially focuses on a lack of any motivation to combine the cited references. The Answer claims in its Response to Argument, however:

“It is well known that a transfer mechanism that is standard across industry may be used in transferring award value between accounts (i.e., transfer of points, monetary value, miles or redemption of those points, monetary value, or miles). The use of a standard routing system may be incorporated into the Todd reference, being that a standard system means that the routing system may be used across industry as a transfer means.” (Answer at 6, emphasis added)

This statement, effectively taking Official Notice of a purported fact, is unjustifiable for at least three reasons. First, and most troubling, the statement is simply wrong. It is *not* well known to use “a transfer mechanism that is standard across industry” in order to transfer awards between accounts. As discussed at length in Appellants’ response to the First Office Action and in their Appeal Brief, the references cited on the record neither teach nor suggest the use of any standardized system to transfer award values. The Answer provides no evidence – nor are Appellants aware of any evidence – that would support this statement. In fact, in the course of Appellants’ arguments and the application itself, just the opposite has been shown (*see, e.g.*, Application at ¶¶ 0004, 0020-0021).

Second, the statement merely completes a circular argument posited in the Final Office Action. In that Office Action, the Examiner conceded that Todd did not disclose a

standard routing system being used by a multitude of financial institutions for transfers unrelated to consumer awards, but that it would have been obvious to “incorporate disclose [sic] a standard routing system...as taught by Bucci...to provide the user with a **means of transferring awards/funds between accounts** located at various institutions.” Final Office Action at 3. In other words, what was previously considered to be the *result* of the combination of Todd and Bucci—the transfer of awards between accounts via a standard routing system—is now considered to be “well-known” in the current Answer.

Third, the statement is being improperly made in the Answer without conforming to the guidelines of MPEP 2144.03(A). Those guidelines are clear that, “It is never appropriate to rely solely on ‘common knowledge’ in the art without evidentiary support in the record, as the principal evidence upon which a rejection is based.” Here, the Answer makes this assertion for the first time in the record, while providing no evidentiary support for it, thereby violating the MPEP standards. The MPEP further states that “While ‘official notice’ may be relied upon, these circumstances should be rare when an application is under final rejection.... It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known.” In the present situation, the Answer’s reliance upon “official notice” deprives Appellants of the opportunity to show that the claimed element is not well known in the context of the claimed combination. The Answer’s spontaneous assertion of “common knowledge” to support the rejections rather than simply providing a reference in support of what is supposedly “notoriously well known in the art” bolsters Appellants’ position that claimed elements are not well known in the context of the presently claimed invention.

One possible source of the Answer’s confusion is its loose usage of the term “across” and vagueness in its introduction of the term “industry”. Notably, the term “industry” has not appeared in the record thusfar. In the first sentence above, the Answer speaks of a transfer mechanism that is “standard across industry.” In the second sentence, it claims that the routing system “*may be used across industry*.” If by “industry” the Answer means “type of account,” then two simple word substitutions might potentially make the statement more accurate: the first sentence could read “...a transfer mechanism that is standard **within an industry** may be used...”; the second sentence could read “...the routing system may be used **between industries**.” Of course, such an interpretation would neuter the Answer’s argument supporting the rejection, as it would acknowledge the gap between an exclusive system

("within" a particular type of account) such as Todd's and what Appellants have claimed as their invention. In any event, Appellants should not need to speculate as to what is meant by unclear and inconsistent terms of the Answer.

Examiner has Still Not Made a Prima Facie Case of Obviousness

The Answer asserts that Appellants have not provided "any real evidence" that the two cited references are "antagonistic to each other." While Appellants will rebut this assertion shortly, it should first be noted that it is the Examiner, not the Applicants, who bears the burden of making a *prima facie* case of obviousness. "If the examiner does not produce a *prima facie* case, the applicant is under no obligation to submit evidence of nonobviousness." MPEP 2142. In the present situation, Appellants have shown in their Appeal Brief that there is simply no motivation to combine the two references. As noted there, the Final Office Action contained only a conclusory statement—without evidence—to support the combination. The Answer apparently attempts to rectify that problem through its introduction of "evidence" in the form of an improper and incorrect "official notice", discussed above.

As for the antagonism between the references, Appellants were under no obligation to show an incompatibility or teaching away between the references given the absence of a *prima facie* case of obviousness. Nevertheless, Appellants, in their Appeal Brief, pointed to specific passages of Todd stating purposes that would clearly be eviscerated by a combination with Bucci in the manner suggested by the Final Office Action. Contrary to the Answer's assertion, these passages constitute more than just "differences between the Todd and Bucci references" but provide "real evidence" that the references cannot be combined as suggested. Appellants respectfully request that the rejections be withdrawn.

Conclusion

Appellants' Appeal Brief and the rest of the record clearly establish that no *prima facie* case of obviousness has been made out by the Examiner. The Examiner's Answer does not address the merits of Appellants' Brief, but instead makes an erroneous and inappropriate claim that a "fact" is well known. Appellants have herein shown the insufficiency of the Answer, and thus request withdrawal of the presently pending rejections.

Respectfully submitted,

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Claims Appendix – Status ofAppealed Claims

1. (Previously Presented) A financial transaction system comprising:

a financial institution;

a financial alternative to currency issued by the financial institution to one or more consumers; and

a participating merchant network accepting the financial alternative to currency to provide goods or services to the one or more consumers and receive reimbursement for the goods and services from the financial institution;

wherein the financial institution charges the one or more consumers for the goods or services purchased using the financial alternative to currency and provides to each of the one or more consumers an award related to a total value of the goods or services purchased by each of the one or more consumers using the financial alternative to currency; and

wherein further each of the one or more consumers' awards is electronically transferable, via a standard routing system, to one or more other financial accounts accepting electronic transfers through the standard routing system, the standard routing system being used by a multitude of financial institutions for transfers unrelated to the one or more consumers' awards.

2. (Original) The financial transaction system of claim 1, wherein the standard routing system is an American Bankers Association routing system.

3. (Original) The financial transaction system of claim 1, wherein the standard routing system is an Automated Clearing House routing system.

4. (Original) The financial transaction system of claim 1, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more bank accounts.

5. (Original) The financial transaction system of claim 1, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more investment accounts.

6. (Original) The financial transaction system of claim 1, wherein at least one of the one or more other financial accounts accepting electronic transfers through the standard routing system is not in the name of the one or more consumers whose award is electronically transferable to the one or more other accounts.

7. (Original) The financial transaction system of claim 1, wherein the each of the one or more consumers' awards are automatically electronically transferable, based on an accumulated award amount, to the one or more other financial accounts accepting electronic transfers through the standard routing system.

8. (Original) The financial transaction system of claim 1, wherein the each of the one or more consumers' awards are automatically electronically transferable, based on a predefined schedule, to the one or more other financial accounts accepting electronic transfers through the standard routing system.

9. (Original) The financial transaction system of claim 1, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system are saved for faster subsequent transfers.

10. (Original) The financial transaction system of claim 1, further comprising an interface, accessible by the one or more consumers, for electronically transferring their award into the one or more other financial accounts accepting electronic transfers through the standard routing system.

11. (Previously Presented) A method for increasing a financial institution's revenue from a financial alternative to currency provided to one or more consumers, the method comprising:

receiving requests for reimbursement from one or more members of a participating merchant network accepting the financial alternative to currency, the one or more members providing goods or services to the one or more consumers using the financial alternative to currency;

reimbursing the one or more members of the participating merchant network;

transmitting periodically to each of the one or more consumers a request for repayment of the reimbursements related to each of the one or more consumers;

totaling the reimbursements over a predetermined time period corresponding to each of the one or more consumers;

providing an award to each of the one or more consumers related to the corresponding totaled reimbursement for each of the one or more consumers; and

allowing each of the one or more consumers to electronically transfer their award, via a standard routing system, to one or more other financial accounts accepting electronic transfers through the standard routing system, the standard routing system being used by a multitude of financial institutions for transfers unrelated to the one or more consumers' awards.

12. (Original) The method of claim 11, wherein the standard routing system is an American Bankers Association routing system.

13. (Original) The method of claim 11, wherein the standard routing system is an Automated Clearing House routing system.

14. (Original) The method of claim 11, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more bank accounts.

15. (Original) The method of claim 11, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more investment accounts.

16. (Original) The method of claim 11, wherein at least one of the one or more other financial accounts accepting electronic transfers through the standard routing system is not in the name of the one or more consumers who are allowed to electronically transfer their award to the one or more other accounts.

17. (Original) The method of claim 11, wherein the allowing each of the one or more consumers to electronically transfer their award comprises allowing each of the one or more consumers to automatically electronically transfer their award, based on an accumulated award amount, to the one or more other financial accounts accepting electronic transfers through the standard routing system.

18. (Original) The method of claim 11, wherein the allowing each of the one or more consumers to electronically transfer their award comprises allowing each of the one or more consumers to automatically electronically transfer their award, based on a predefined schedule, to the one or more other financial accounts accepting electronic transfers through the standard routing system.

19. (Original) The method of claim 11, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system are saved for faster subsequent transfers.

20. (Original) The method of claim 11, wherein the allowing each of the one or more consumers to electronically transfer their award comprises providing an interface, accessible by the one or more consumers, for electronically transferring their award into the one or more other financial accounts accepting electronic transfers through the standard routing system.

21. (Previously Presented) An electronically transferable award system for increasing a consumer's use of a financial alternative to currency, the electronically transferable award system comprising:

an electronically transferable award, wherein the electronically transferable award was awarded to the consumer in proportion to the consumer's purchases with the financial alternative to currency; and

an electronic award transfer interface, wherein the electronic award transfer interface is accessible by the consumer and is used by the consumer to electronically transfer, via a standard routing system, their award into one or more other financial accounts accepting electronic transfers through the standard routing system, the standard routing system being used by a multitude of financial institutions for transfers unrelated to the one or more consumers' awards.

22. (Original) The electronically transferable award system of claim 21, wherein the standard routing system is an American Bankers Association routing system.

23. (Original) The electronically transferable award system of claim 21, wherein the standard routing system is an Automated Clearing House routing system.

24. (Original) The electronically transferable award system of claim 21, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more bank accounts.

25. (Original) The electronically transferable award system of claim 21, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more investment accounts.

26. (Original) The electronically transferable award system of claim 21, wherein at least one of the one or more other financial accounts accepting electronic transfers through the standard routing system is not in the name of the consumer.

27. (Original) The electronically transferable award system of claim 21, wherein the electronically transferable award is automatically electronically transferable based on an accumulated award amount.

28. (Original) The electronically transferable award system of claim 21, wherein the electronically transferable award is automatically electronically transferable based on a predefined schedule.

29. (Original) The electronically transferable award system of claim 21, wherein the electronic award transfer interface further presents to the consumer saved financial accounts previously defined by the consumer.